GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:981
ANSWERED ON:28.07.2000
EXEMPTION FROM INDUSTRIAL LICENSES
RENUKA CHOWDHURY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have decided to exempt Export Oriented Units and Export Promotion Zones (EPZ) from the requirement of industrial licence if they manufacture items reserved for small scale industries;

(b) if so, whether any representations have been received against it from small scale industries or their Federation;

(c) If so, the details thereof and the reaction of the Union Government thereto;

(d) the number and details of Export Promotion Zones set up/being set up in the country, location-wise; and

(e) the terms and conditions of eligibility and operation for these units in such zones?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (c): As per existing policy, a medium or large scale EOU/EPZ unit set up for manufacturing items reserved for small scale sector is required to obtain an industrial license. Such a license is granted with the obligation to export at least 50% of the production. However, EOU/EPZ units are in any case under an obligation to export 66% of their production.

In view of the above, as also to free EOU/EPZ units from excessive procedural requirements, it is proposed to exempt EOU/EPZ units from the requirement of industrial licensing for manufacturing items reserved for Small Scale Industries.

The said exemption shall be operational once the notification is issued under the Industries (Development and Regulation) Act, 1951.

(d) There are seven export processing zones (EPZs) in the country set up by the government in Kandla (Gujarat), Santa Cruz, Mumbai (Maharashtra), Noida (Uttar Pradesh), Chennai (Tamil Nadu), Cochin (Kerala), Falta (West Bengal) and Visakhapatnam (Andhra Pradesh). There is no proposal to set up any EPZ by the Central Government. However, EPZs may be set up in the public, private or joint sector or by the State Governments.

Five Export Processing Zones have been approved by the Central Government for establishment in the private/joint sector, as under:-

Name of the Promoter	Location
1. Diamond & Gem Development Corporation, Mumbai	Surat (Gujarat)
2. M/s. kay Foam Ltd., Mumbai	Kandiveli (E), Mumbai (Maharashtra)
3. M/s Colanac International Limited, Chennai	Singidivakkam Village, Kancheepuram Taluk (Tamil Nadu)
4. M/s TIDCO Ltd., Chennai	Nanguneri, Tirunelveli Dist.(Tamil Nadu)
5. Government of Uttar Pradesh	Greater Noida (District Gautambudh Nagar), UP

(e) The terms and conditions of eligibility and operation of the Units in EPZs are covered under Chapter 9 of the Export and Import Policy and Chapter 9 of the Handbook of Procedures (Vol I).